LAW OFFICES OF

RACINE OLSON NYE BUDGE & BAILEY CHARTERED

W. MARCUS W. NYE RANDALL C. BUDGE JOHN A. BAILEY, JR. JOHN R. GOODELL JOHN B. INGELSTROM DANIEL C. GREEN BRENT O. ROCHE KIRK B. HADLEY FRED J. LEWIS ERIC L. OLSEN CONRAD J. AIKEN RICHARD A. HEARN, M.D. LANE V. ERICKSON FREDERICK J. HAHN, III PATRICK N. GEORGE SCOTT J. SMITH JOSHUA D. JOHNSON STEPHEN J. MUHONEN DAVID E. ALEXANDER CANDICE M. MCHUGH CAROL TIPPI VOLYN JONATHAN M. VOLYN THOMAS J. BUDGE BRENT L. WHITING DAVE BAGLEY JASON E. FLAIG FERRELL S. RYAN, III AARON A. CRARY

JOHN J. BULGER BRETT R. CAHOON NOLAN E. WITTROCK 201 EAST CENTER STREET POST OFFICE BOX 1391 POCATELLO, IDAHO 83204-1391

TELEPHONE (208) 232-6101 FACSIMILE (208) 232-6109

www.racinelaw.net

SENDER'S E-MAIL ADDRESS: rcb@racinelaw.net

BOISE OFFICE
101 SOUTH CAPITOL
BOULEVARD, SUITE 300
BOISE, IDAHO 83702
TELEPHONE: (208) 395-0011
FACSIMILE: (208) 433-0167

IDAHO FALLS OFFICE
477 SHOUP AVENUE
SUITE 107
POST OFFICE BOX 50698
IDAHO FALLS, ID 83405
TELEPHONE: (208) 528-6101
FACSIMILE: (208) 528-6109

ALL OFFICES TOLL FREE (877) 232-6101

LOUIS F. RACINE (1917-2005) WILLIAM D. OLSON, OF COUNSEL JONATHON S. BYINGTON, OF COUNSEL

February 28, 2013

OVERNIGHT MAIL/UPS:

Mrs. Jean Jewell, Secretary Idaho Public Utilities Commission 472 W. Washington Street (83702) P.O. Box 83720 Boise, Idaho 83720-0074

Re:

Case No. PAC-E-12-14

Dear Jean:

Enclosed for filing please find the original and seven copies of *Comments of Monsanto Company*. Thank you for your assistance.

Sincerely,

RANDALL C. BUDGE

Enclosures

cc:

RCB:rr

Service List

Randall C. Budge, ISB No. 1949 Thomas J. Budge, ISB No. 7465 RACINE, OLSON, NYE, BUDGE &

BAILEY, CHARTERED P.O. Box 1391; 201 E. Center

Pocatello, Idaho 83204-1391

Telephone: (208) 232-6101 Fax: (208) 232-6109

rcb@racinelaw.net

Attorneys for Intervenor Monsanto Company

RECEIVED 2013 MAR - I AM 9: 48 IDAHO PUR'ILI UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP DBA)	
ROCKY MOUNTAIN POWER'S)	Case No. PAC-E-12-14
APPLICATION FOR AUTHORITY TO CANCEL)	
ELECTRIC SERVICE SCHEDULE NOS. 72)	COMMENTS
AND 72A IRRIGATION LOAD CONTROL)	OF
TARIFFS AND APPROVE A NEW DEMAND)	MONSANTO COMPANY
SIDE MANAGEMENT CONTRACT)	

INTRODUCTION:

COMES NOW Intervenor Monsanto Company ("Monsanto"), by and through counsel, and submits these Comments with respect to the Application of PacifiCorp, d/b/a Rocky Mountain Power (the "Company" or "RMP") seeking authority to cancel the existing Electric Service Schedule Nos. 72 and 72A Irrigation Load Control tariffs and approve a new demand side management contract with EnerNoc, Inc. to provide for delivery of the Irrigation Load Control Program. Pursuant to the Commission's Order No. 32742, this case is being processed under Modified Procedure with a March 1, 2013 deadline established for interested persons to file written comments in support or opposition.

The Application proposes to make significant changes to the Irrigation Load Control Program ("Program"). These changes include: a) establishing a new pay-for-performance bilateral contract model, as opposed to a typical tariff-based, utility-delivered load control program model; b) providing new capacity pricing for a fixed ten-year term; and c) establishing a shorter ten-week season from June 15 to August 15, between 12:00 p.m. and 8:00 a.m. with a potential total of 400 hours of interruptions. As the Company's largest interruptible customer,

Monsanto has an interest in this proceeding because of the potential impact on the terms and pricing of Monsanto's interruptible contract.

The Company and the Idaho Irrigation Pumpers Association, Inc. ("Irrigators") have filed with the Commission a Stipulation dated February 7, 2013, agreeing to cancel the existing Program schedules Nos. 72 and 72A and approve the new contract with third party provider EnerNoc, Inc. (the "Contract") for the delivery of the Idaho Irrigation Load Control Program. The Contract presented to the Commission for approval is between EnerNoc and the Company. The terms, conditions and credits applicable to individual irrigators are to be negotiated with each customer by EnerNoc.

Monsanto's Soda Springs plant produces elemental phosphorus utilizing three large electric furnaces and is the Company's largest single point customer with a load of approximately 182 MW. For more than 50 years Monsanto has been an interruptible customer of the Company with most of its load subject to curtailment by RMP in accordance with terms specified by contract. Pursuant to Monsanto's current contract which expires December 31, 2013, Monsanto provides a total of 1,000 hours of curtailment, specifically, 188 hours of 95 MW to provide operating reserves, 800 hours of 67 MW as economic curtailment and 12 hours of 162 MW to provide system integrity. Both the terms and pricing of Monsanto's firm and non-firm power have always been established by Commission Order, either as a result of a contested general rate case or stipulation between the parties.

COMMENTS:

Monsanto does not oppose or make any recommended changes to the Stipulation between the Company and the Irrigators or the proposed Contract between the Company and EnerNoc, provided that approval by the Commission does not establish any precedent or adverse impact on the future pricing or terms of Monsanto's curtailment products nor allocate additional costs to Monsanto's cost of service. Although the unique terms and conditions of the Contract would be unacceptable to Monsanto for numerous reasons not elaborated here, since they are apparently acceptable to the effected parties Monsanto has no reason to question their judgment or decisions.

The character of the loads of the irrigation customers and Monsanto are significantly different and hardly comparable. The irrigation load involves hundreds of customers at widely-

dispersed locations, each of which requires metering and other communication equipment as well as the development of individually negotiated agreements, metering and billing costs, and therefore costly to serve. By contrast, Monsanto offers a large load at a single point with sophisticated metering and communication equipment. Furthermore, the conditions under which the Company may interrupt irrigation customers are substantially more restrictive than for Monsanto. The key parameters for the new irrigation Program include interruptions of no more than 52 hours per year, no more than 20 events per year, no more than 4 hours per event, with interruptions restricted to between June 15 and August 15, and weekdays between noon and 8:00 p.m. only. Additionally, irrigators receive day-ahead notice and have an ability to opt out of requested interruptions. Additionally, load reductions delivered by EnerNoc are allowed to be in a wide range, with specific load reductions not guaranteed.

By contrast, Monsanto's current agreement provides 1,000 hours of curtailments per year that may be taken at the Company's option anytime of the day, any day of the week, year-round. These curtailments include: 188 hours at 95 MW for operating reserves to ensure the reliable operation of the inter-connected electrical system pursuant to WECC guidelines for non-spinning contingency operating reserves; 12 hours at 162 MW to provide system integrity allowing the Company to continue to operate at a high degree of reliability and at voltage levels consistent with prudent electrical practices; and 800 hours at 67 MW for economic purposes.

The interruption terms and conditions for Monsanto are much more robust that provided by the irrigator's Program and give the Company many more ways to benefit the system from interruptions. Furthermore, Monsanto's load characteristics are considerably different from that of irrigators. For those reasons the terms and pricing of the irrigator's Program are not comparable and should not be used by the Company as a model or template for Monsanto or other large industrial customers.

CONCLUSION

Because by Stipulation the Irrigators and the Company find acceptable the terms and conditions of the new irrigation Program and the Contract with EnerNoc to be satisfactory for their operations, Monsanto does not object. However, Monsanto wishes to make it clear that Contract, terms, conditions and credits of the proposed new irrigation Program would not be suitable if proposed for Monsanto and should be construed to adversely impact nor establish any

precedent for the future terms and pricing of the curtailment provisions in Monsanto's contract. DATED this 28th day of February, 2013.

RACINE, OLSON, NYE, BUDGE & BAILEY, CHARTERED

RANDALL C BUDGE

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 28th day of February, 2013, I served a true, correct and complete copy of the foregoing document, to each of the following, via the method so indicated:

Jean D. Jewell, Secretary (original and 7) Idaho Public Utilities Commission P.O. Box 83720 Boise, ID 83720-0074

E-mail: jjewell@puc.state.id.us

U.S. Mail

Ted Weston Rocky Mountain Power 201 South Main, Suite 2300 Salt Lake City, Utah 84111

E-mail: ted.weston@pacificorp.com

E-Mail

E-Mail

Daniel E. Solander Mark C. Moench Rocky Mountain Power 201 South Main, Suite 2300 Salt Lake city, Utah 84111

E-mail: Daniel.solander@pacificorp.com

<u>Mark.moench@pacificorp.com</u>

Karl Klein Deputy Attorney General Idaho Public Utilities Commission P.O. Box 83720 Boise, Idaho 83720

E-mail: karl.klein@puc.idaho.gov

E-Mail

Eric Olsen Racine, Olson, Nye, Budge & Bailey P.O. Box 1391 Pocatello, Idaho 83204-1391

E-mail: elo@racinelaw.net

E-Mail

Anthony Yankel 29814 Lake Road Bay Village, Ohio 44140

E-Mail: tony@yankel.net

E-mail

Benjamin J. Otto Idaho Conservation League 710 N. 6th Street Boise, Idaho 83702

E-mail: botto@idahoconservation.org

E-mail

RANDALL C. BUDGE